Price control of medicines

†*371. SHRI SHREEGOPAL VYAS:
SHRI BALAVANT *ALIAS* BAL APTE:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government had brought medicines under price control in order to make available medicines to common man at low prices;

(b) if so, whether it is also a fact that in spite of announcement by Government the prices of medicines were not reduced by pharmaceutical companies;

(c) if so, the details of such companies thereof;

(d) whether any action has been taken by Government against such companies; and

(e) if so, the details thereof and the outcome thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) Yes, Sir. The Drug Policy as announced from time-to-time is directed towards making available quality drugs at reasonable prices to the poor. The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mentioned in 'Modifications in Drug Policy, 1986', announced in September, 1994. The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. In case of any violation of the price fixed by NPPA, action for recovery of overcharging amount is taken by NPPA. Hence, prices of medicines under price control have been effectively controlled and kept low.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market

†Original notice of the question was received in Hindi.

competition, product innovation, product quality etc. Prices of these drugs are regularly monitored and corrective measures taken where public interest is found to be adversely affected.

(b) to (e) Pharma Industry Associations had voluntarily agreed to reduce trade margins in the case of generic drugs being sold by them. As such prices of 886 packs of such medicines were reduced by 11 pharma companies. A compilation of a list of 886 such medicines, whose prices were voluntarily agreed to be reduced by eleven companies, is available on this Department's Website **www.chemicals.gov.in.** It has also been placed in the library of the Parliament. The list covers formulations in all dosage forms such as tablets, capsules and syrups, etc. and they find usage in the treatment of a large number of diseases. The medicines covered are antibiotics, cough syrups, painkillers as well as those used during the surgical operations, for the cure of the infectious diseases and for the treatment of hypertension etc.

The revised prices of these 886 packs were to be implemented by the companies on packs manufactured after 2nd October/2nd November, 2006. A survey of the prices of these medicines in selected cities was got done through the pharma PSUs on 22.2.2007 and feedback was also received from some of the companies. As per the findings of this survey out of 886 medicines, 258 medicines (of 9 companies) with reduced prices are available in the Delhi market. In other cities also some of these products are available at reduced prices. Most of the companies have informed that availability of the medicines with reduced prices would depend on depletion of their old stocks with the Distributors.

The survey conducted by Hindustan Antibiotics Ltd. revealed that out of 11 companies price have been reduced by 9 companies in case of some of the packs. In case of two companies *i.e.* Cipla Ltd., and Lupin Ltd. only the old stock was available without any price reduction.

This reduction has been done on a voluntary basis by the companies. It is proposed to streamline the system of trade margins through the proposed National Pharmeceuticals Policy.

It was noticed that out of 886 medicine packs there was a violation of DPCO, 95 in case of prices of 97 packs. NPPA has directed the respective companies to explain the reasons for violations of the respective provisions

of DPCO, 95. Based on the replies of the companies necessary action would be taken by NPPA.

NPPA *vide* letter dated 16.4.2007 has requested all the States/UTs to provide feedback both on the availability and prices of 886 formulation packs in the market.

Export potential of organic foods

*372. KUMARI NIRMALA DESHPANDE: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that organically grown products have export potential;

(b) if so, the assistance being given to farmers to adopt organic farming; and

(c) if not, the reasons therefor?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) Yes, Sir.

(b) The Government is implementing a Central Sector Scheme, National Project on Organic Farming (NPOF) for production, promotion, certification and market development of organic farming in the country, wherein financial assistance is being provided for the capacity building through service providers, setting up of organic inputs production units of fruits/vegetables waste compost, biofertilizers and Vermiculture hatcheries, promotion of organic farming through training programme, field demonstrations, setting up of model organic farms and market development.

Government is also implementing a Centrally-Sponsored Scheme on National Horticulture Mission (NHM) in the country from 2005-06 under which promotion of organic farming has been included as one of the components and financial assistance is being provided for organic cultivation of horticultural crops, setting up of vermin compost units and organic farming certification.

In addition, Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce & Industry is promoting export of organic products and implementing National